

Attachment C

MEMORANDUM

To: Water Advisory Committee February 10, 2003

From: Chris DeGabriele

Subject: Subcommittee Review of Sonoma County Water Agency Water Policy Statement Attachment B (Analysis of Water Advisory Committee Framework Issues for Restructured Agreement for Water Supply) and Attachment C (Agency Framework Issues for the Restructured Agreement for Water Supply)

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The subcommittee, including myself, Lee Harry (Valley of the Moon), Pam Nicolai (MMWD), Virginia Porter (Santa Rosa) and Pam Torliatt (Petaluma) met on Wednesday, January 22, at Valley of the Moon to review the subject Attachments B and C to the SCWA Draft Water Policy and develop discussion items for the full WAC to review. At the Water Advisory Committee meeting on February 3, 2003 the review was verbally reported. This memo provides information for a more in depth discussion scheduled for the February 24, 2003 New Agreement Negotiation Meeting.

BACKGROUND

In July, the Water Advisory Committee transmitted the framework issues to SCWA and requested written comments on same (7/16/2002 letter from Miles Ferris to Randy Poole). Additionally, the Water Advisory Committee requested SCWA identify items they wished to add to the framework list.

In December, the SCWA transmitted the Revised Draft Water Policy Statement including the above noted attachments (12/4/2002 letter from William Keene to individual Water Contractors).

ATTACHMENT B – Analysis Of Water Advisory Committee Framework Issues For Restructured Agreement For Water Supply

Attachment B is SCWA's work product in commenting on the framework issues. SCWA has categorized the framework issues as follows:

- I. Items That Are Generally Acceptable In Principle
- II. Items Outside Scope Of Water Supply Agreement
- III. Items Impairing Agency Discretion
- IV. Items Not Requiring Amendment To Agreement

V. Items Not Susceptible To Sufficiently Precise Drafting

The subcommittee's review of Attachment B regards the Agency's categorization positively. Category I items should be easily incorporated into a New Agreement. We believe that only Category II (Items Outside Scope Of Water Supply Agreement) may need additional serious negotiating effort to find common ground. Discussion of other categories follows:

Category III (Items Impairing Agency Discretion). Recognizing that these framework items are limited to reporting only, the subcommittee believes these items can be incorporated into the New Agreement. Where data collection pertaining to these topics is now ongoing by SCWA (Framework Issues K, L & M) the WAC only requests that this information be reported on a regular basis (at a frequency determined by SCWA) and distributed to the Water Advisory Committee for assurance of continued availability of good quality water from the Russian River system. Where the information requested is not yet defined (Framework Issues T, U, V & II) these issues may need to be dealt with as Category II items (need serious negotiating effort to find common ground).

Category IV (Items Not Requiring Amendment To Agreement) should be monitored so that these provisions remain in the New Agreement. Additionally the Water Advisory Committee should organize said subcommittees as appropriate pursuant to the authority now included in the Eleventh Amended Agreement.

Category V (Items Not Susceptible To Sufficiently Precise Drafting) may be correctly characterized by SCWA. However, these items were generated from the public input received at workshops in the fall of 2001 and spring of 2002. The subcommittee recommends that the WAC work with SCWA on these framework issues to fold them into an agreement as recitals.

The WAC is requested to either work towards the recommended ends described herein in the IBN negotiation process, or directs the subcommittee to work with the SCWA toward incorporating these items into the New Agreement.

ATTACHMENT C – Agency Framework Issues for the Restructured Agreement for Water Supply

The subcommittee reviewed the SCWA framework issues, using a template and comments already developed by the Santa Rosa Board of Public Utilities at a study session held on January 16. The subcommittee comments on the Agency framework issues are in the following table for detailed discussion or comment by the Water Advisory Committee.

WAC Subcommittee Comments on Sonoma County Water Agency Framework Issues for the Restructured Water Supply Agreement” (Attachment C)

Framework Issue		Comments
1.	Eliminate single party veto for system components	Majority support; Petaluma does not support. Beneficiaries pay costs and no one can stop a project that benefits others.
2.	Urban recycling - 5% requirement	Though we support expanded regional use of recycled water, we do not recommend the one-size-fits-all approach. Also, object to a target reduction including potable local supply offset (i.e. a goal should be based on SCWA use only).
3.	Modification of conservation programs with State mandate	We are not sure why SCWA wants this provision. The language in the existing agreement would allow this.
4.	Formal presentation to SCWA Board if we need more water	This could be an appropriate idea, though we are not clear why such a formal process is necessary. Do not believe this belongs in the agreement.
5.	Require contractors to assure protection of listed fish species in their operations (water, flood control, sanitation)	This is one of 3 items (5,6,13), which address ESA issues. These items seem to place SCWA in a regulatory role over the contractors in areas that are state and federal jurisdiction. Do not support this idea of taking away local control and adding additional regulatory layers. This is beyond the authority of SCWA.
6.	Require contractors to support SCWA recovery planning for listed fish species	See comments in 5. Do support cooperative agreements to accomplish the goal of species recovery.
7.	Authorize SCWA to purchase recycled water rights	Do not support. We do support working cooperatively with SCWA to best use the recycled resource. Is the intent here only to offset potable use?
8.	Extend period of impairment condition MOU	Do not support. The facilities that are intended to get us out of an impairment condition should be built by the end of the current MOU.

Framework Issue		Comments
9.	Revise method of determining allocations in impairment or shortage	Qualified support. More detail would be required to evaluate the impact of this proposal. There is general concern about the demand hardening issue which should be addressed in shortage allocations.
10.	Consider adding MMWD and Windsor as prime contractors	This item is contingent upon WAC recommendation. Since we are currently at the negotiating table, it is premature to support this item. The full impact of adding new contractors has not yet been evaluated.
11.	Require SCWA to attempt to amend MMWD and Windsor contracts to conform to the master agreement if they do not become primes	Qualified support. Until Issue 10 is determined, it is premature to support this fully.
12.	Incorporate changes suggested by SCWA bond counsel	Because the changes are not stated, there is not enough information to have an opinion. We have a concern about the contractors paying for projects which have no water supply benefit. We would need to be assured that this did not give SCWA broad powers or flexibility that might result in contractors paying for projects that result in no benefit.
13.	Establish a separate charge for ESA compliance	See comments under 5. Is there currently a concern that the contractors are not paying the appropriate component of ESA compliance?
14.	Make all facilities common facilities	Do not support.
15.	Create a way to reallocate entitlement among primes	Qualified support. This arrangement could result in needed flexibility for SCWA and the contractors
16.	Authorize SCWA to construct and operate recreational facilities to be funded by the water contractors	Do not support. There is no apparent correlation between this financial obligation and reliable, high quality water supply.